

9 May 1974

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NOTE TO

SUBJECT: Perspectives, Part III

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Attached is a suggested draft for Part III, Management Implications, to the Perspectives. The draft has been reviewed

I'm available to discuss the draft if you desire, at your convenience.

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8 May 1974

### III. Management Implications

#### A. Collection vs Exploitation

1. Over the past decade, management focus and the allocation of resources has been directed primarily to the application of advanced technology to the collection and to a lesser degree, the processing of intelligence data. This has been highly successful, resulting in major substantive advances in our knowledge, particularly with regard to the military capabilities of the Soviet Union. Without this investment we would not now be able to enter confidently into the negotiations required for detente.



3. Within the time frame of this document, the most important and pervasive problem facing the intelligence community will be to ensure efficient exploitation of the enormous amounts of data we will be collecting. Exploitation is defined here to mean not only the problem of sifting, selecting and processing the most

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relevant data, but also the application of advanced techniques to transfer of data to the point of ultimate use, to analysis and to the production and presentation of end products for whatever purpose: finished intelligence, current intelligence, or crises management.

4. Coping with this problem will require increased management attention and more imaginative use of existing advanced techniques of information handling.

B. Demands vs Resources

5. Another problem of great magnitude facing the community over the next five to ten years will be changing (and in all probability increasing) demands for intelligence while available resources decrease in real terms.

6. In the past we have necessarily devoted the major portion of our effort toward the military capabilities of the Soviet Union and our other adversaries, actual and potential. Even assuming a period of genuine detente, we will probably need to retain most of our military focus, simply because the range of military interests and the need for information on the quality of enemy weapons systems. We must not only remain alert militarily, but also to support negotiations and verify arms limitations agreements. At the same time, the demands for other types of intelligence are growing, shifting not only area coverage but subjective targets as

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well. The result is a probable net increase in demand with a new mix among military, political, technical and economic target objectives.

7. This simultaneous shift and increase in requirements is occurring now--in a period of serious resource constraint and continuing inflation. Until very recently we have had the freedom to invest in a number of functional areas simultaneously without undue difficulty. This is no longer true. We will have to accomplish our objectives without the benefit of significantly greater resources. How we do this will be crucial. We can no longer afford to accommodate the resource squeeze with large, relatively indiscriminate manpower reductions and other marginal reductions. We must instead find trade-offs in the systems we use, the areas we cover, and the depth of the data we seek.

8. One area that should hold promise for greater efficiency is the national/tactical interface. Our current studies seek to identify ways by which national programs can more directly support tactical requirements, or vice versa. Some economies should be achievable as more capable and flexible systems such as near-real time imaging come into the national inventory. Modernized systems and procedures which, by their design, permit greater mutuality of effort between national and force support activities should enable trade-offs achieving net resource savings.

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C. Technical Systems

9. Because of past major investments in technical systems we have today a significant collection capability against our most important targets. We must maintain this capability in an environment of increasing technological sophistication worldwide and in particular in the Soviet Union and the PRC. This will require constant vigilance and modernization of certain systems, but we must be more selective in our choices for major investment. Modernization must be highly focussed rather than governed by a desire to apply resources to all systems in the pursuit of improvement.

10. On balance, greater emphasis will have to be applied to maintaining our technological superiority through research leading to upgrading current systems and prototype development for future systems rather than the full scale acquisition of new generations of technical sensors.

D. Evaluation

11. Taking advantage of potential trade-offs will require a much more systematic evaluation of our total effort, and the forging of a much tighter link between the allocation of resources and the substantive intelligence result. We have made a small start in this direction with the KIQ/KEP, but success will require an increasing commitment from the entire community.

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12. A critical dimension to better evaluation and more efficient use of resources will be a far better definition of intelligence requirements, both short and long term (the latter in particular with regard to R&D). Today the community has a confusing variety of means, methods, and vehicles and even language to determine and state requirements. Ways of restructuring the machinery for reviewing requirements in order to rationalize and sharpen overall requirements will require high-level attention and far more time of the USIB.

E. Manpower Implications

13. The overall direction of the intelligence effort implies a need for reviewing the manpower talents, disciplines and language capabilities that will be required. This will be particularly true in human source collection, where great depth of cultural knowledge plus a greater capability in both scientific and economic disciplines will be needed. Also in the analytic field where the tools in use will be increasingly different; the analyst of the future will have to be comfortable in an electronic age. In our preoccupation recently with manpower reductions, investment in new talent, training and career development, and exposure abroad may have suffered. This cannot be permitted to continue.

14. The future impact of advanced information processing and presentation capabilities on how the community functions will be

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great. Indeed, the intelligence community should be in the forefront in placing these new technologies to the service of the users. New methods of analysis, forecasting, coordination and presentation of information must be energetically explored and applied where appropriate. Care must be taken in the application of such new methods and systems to insure they are designed for the people who will use them and that adequate training in their use be active and integral to the process.

F. Specific Planning Guidance

15. As one of our major means of achieving better management we must begin with a series of overall plans that will guide program development and budget decisions at all levels. These should cover, as a start, the total SIGINT field; the total imagery field; and, in some comparable way, the Human Intelligence efforts of the entire community. These plans should set forth: 1) the purpose and objectives of the community's efforts in these fields; 2) state clearly the requirements which determine the capabilities we need; 3) explain methods and techniques; 4) assess the nature, extent and cost of current and programmed capabilities; and 5) offer alternatives along with costs for filling gaps in meeting stated requirements. Clearly, they must be prepared by the community with all interested parties participating, but the responsibility for leadership in their formulation must also be clear.

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16. These plans should be approved by USIB and IRAC and concurred in by NSCIC in time to influence the development of the FY 77-81 NFIP, beginning with the issuance of the appropriate guidance documents early in CY 1975.

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## PERSPECTIVES

- I. TRENDS IN THE WORLD SITUATION (no change)
- II. KEY LONG-TERM INTELLIGENCE CONCERNS (new)
- III. MANAGERIAL IMPLICATIONS (a proposal)

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21. <sup>THE</sup> growing world population is making ever increasing claims on resources, especially food and water. At the same time, the US is becoming increasingly vulnerable to other resource shortfalls--e.g., in energy and metals. The Intelligence Community is thus likely to find itself pushed ever more deeply into the relatively unexplored area of economic intelligence. Certain key questions occur: Will scarcities lead to political and social unrest in areas and situations of particular interest to the US? Will growing US dependence on foreign suppliers significantly affect political relationships? Will resource-rich nations enter into bilateral supply arrangements with other states which damage US economic or political interests? Will foreign countries comply with agreements to decrease degradation of the natural environment?

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22. Science and technology will also play a larger role in international affairs during the decade ahead, and this, inevitably, will require further accommodation by the Intelligence Community. There will be specific interest in developments in particular field of technology: e.g., integrated circuits, telecommunications, energy, ocean mining and other resource-extraction enterprises, genetic engineering, weather modification, and nuclear engineering. And there will be questions of a more general (and more novel) nature: Will foreign powers seek to bind other nations via technical linkages; i.e., to augment or replace political influence with technological dominance? Will particular technological breakthroughs or the attainment of technological supremacy in given areas provide individual states with new routes to international eminence? And will the process of technology transfer hurt or help US national interests?

23. Finally, a grim note concerning the apparent inclination of much of the world to try to break apart even while the resources of science and technology provide the means to pull it together: There are today only some 135 states but there are thousands of distinct ethnic or political/cultural groups which form minorities within those states. Many of these minorities, in advanced countries as well as backward, are becoming increasingly aware of their discrete identities and more and more disposed to seek their own independence. The disruptions such awareness and such separatist urges might produce could become a growing international problem, one with many implications for the Intelligence Community.

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Societies once thought to be stable, allies once thought to be reliable, countries and areas once thought to be calm, all could become the victims of a persistent and pervasive unrest.

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